

DOCKET FILE COPY ORIGINAL

RECORDED

JAN - 2 1997

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of

Application of Ameritech  
Michigan Pursuant to Section  
271 of the Telecommunications  
Act of 1996 to Provide In-  
Region, InterLATA Services in  
Michigan

CC Docket No. 97-1

Volume 2.2:  
Affidavit of M. Ryan Julian  
on Behalf of Ameritech Michigan

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In the matter of	)	
	)	
Application of Ameritech	)	
Michigan Pursuant to Section	)	CC Docket No. _____
271 of the Telecommunications	)	
Act of 1996 to Provide In-Region,	)	
InterLATA Services in Michigan	)	

**AFFIDAVIT OF M. RYAN JULIAN**

STATE OF ILLINOIS     )  
                                      ) ss.  
COUNTY OF COOK     )

I, Ryan Julian, being first duly sworn upon oath, do hereby depose and state as follows:

1.     My name is Ryan Julian. I am Director - External Affairs for Ameritech Communications, Inc. ("ACI"), a wholly owned subsidiary of Ameritech Corporation ("Ameritech"). ACI is the affiliate through which Ameritech will provide in-region interLATA telecommunications services under the Telecommunications Act of 1996 ("the Act").

2.     As Director - External Affairs of ACI, I am responsible for regulatory compliance and public policy analysis within ACI. I am also responsible for analyzing long distance entry requirements, translating them into operational procedures, and ensuring that ACI's business operations comply with all applicable statutes, rules and orders including the FCC's structural safeguard order issued in C.C. docket 96-149 and accounting safeguard order issued in Docket 96-150.

## **EDUCATION AND PROFESSIONAL EXPERIENCE**

3. In 1971, I received a Bachelor of Science Degree from the University of Illinois, where I majored in Economics. In 1983, I received a Masters in Business Administration from the Graduate School of Business of the University of Chicago, with concentrations in Finance and Marketing.

4. After college, I worked for Sears Roebuck and Company through November 1973, where I completed a retail management training program and held several retail store assignments.

5. In December 1973, I began working for Illinois Bell Telephone Company in the Commercial Department as a communications consultant. In 1977, I was promoted to Account Executive in the Marketing Department, where I was responsible for assessing the telecommunications needs of large customers and recommending and implementing communications solutions to those needs. In 1980, I became a manager in the Tariffs and Costs Department, with responsibility for determining the appropriate costs and setting the rates for a wide variety of central office based products. In 1984, I was promoted to Proposal and Technical Support Manager, with responsibilities for managing a team of technical specialists that provided support for major telecommunications recommendations and sales proposals for major customers. In 1988, I also assumed responsibility for the pricing and contribution analysis for customer-specific sales proposals and major customer bids. In 1990, I was promoted to Pricing Director at Ameritech Services, Inc., where I was responsible for making pricing recommendations for new products, as well as developing overall pricing guidelines. As the Ameritech marketing function was consolidated, my

responsibilities also included creating the integrated marketing plans and results reporting systems.

6. In 1992, I became Director - Open Market Strategy and was responsible for developing key aspects of the Customers First Plan. In 1994, I became part of the planning group for the Ameritech long distance subsidiary, which later developed into ACI. In June 1995, I was named to my current position at ACI.

#### **PURPOSE OF AFFIDAVIT**

7. The purpose of my affidavit is to demonstrate ACI's compliance with Sections 272(a)(b) and (g) of the Act and the rules promulgated by the FCC relating thereto. I will also describe ACI's proposed compliance training for its employees to explain to them their obligations under Section 272 of the Act and relevant FCC requirements. The affidavit of Paul La Schiazza discusses compliance by the Ameritech Operating Companies ("AOCs"), and in particular by Ameritech Michigan, with Section 272(c), (d) and (e) of the Act, as well as with other relevant sections of the Act.

8. The AOCs referred to herein are Illinois Bell Telephone Company (d/b/a Ameritech Illinois), Indiana Bell Telephone Company (d/b/a Ameritech Indiana), Michigan Bell Telephone Company (d/b/a Ameritech Michigan), Ohio Bell Telephone Company (d/b/a Ameritech Ohio) and Wisconsin Telephone Company (d/b/a Ameritech Wisconsin). Each is a "Bell operating company," as defined in Section 3(4) of the Act.

9. My affidavit is divided into four subject matter areas, the first three of which correspond to specific provisions of the Act. These areas include: Separate Affiliate

Requirement (Section 272(a)); Structural and Transactional Requirements (Section 272(b)); Joint Marketing (Section 272(g)); and Compliance Training.

**SEPARATE AFFILIATE REQUIREMENT — SECTION 272(a)**

10. Ameritech will provide interLATA telecommunications services, other than "incidental" services described in Section 271(g)(1-3, 5-6) of the Act, originating in Michigan or which are treated as originating in Michigan under Section 271(g), through Ameritech Communications Inc. ("ACI"), a subsidiary that is separate from the AOCs, or through any wholly owned subsidiary of ACI hereinafter created or acquired.

11. ACI was originally incorporated on June 27, 1994, as Ameritech Global Link, under the laws of the State of Delaware. On June 21, 1995, the name of Ameritech Global Link was changed to ACI. ACI stock is 100% owned by Ameritech Corporation and all of its capitalization has been and will continue to be provided by Ameritech Corporation or through external non-AOC sources. All such capitalization has been or will be obtained without recourse to AOC assets as described in paragraph 20 below. ACI has obtained a license from the M.P.S.C. to provide basic local exchange service to customers in Michigan.

12. Ameritech may from time to time reorganize, merge, or otherwise change the form of ACI or create and/or acquire additional interexchange subsidiaries. Any such subsidiaries will meet the requirements of Section 272 of the Act, as well as applicable state and federal regulations, including the FCC's orders in Dockets 96-149 and 96-150 and Section 53.203 of the Commissions rules.

**STRUCTURAL AND TRANSACTIONAL REQUIREMENTS — SECTION 272(b)**

**Operational Independence — Section 272 (b)(1)**

13. ACI operates independently from the AOCs in the following respects:

- a. ACI and the AOCs do not and will not jointly own telecommunications transmission and switching facilities or the land and buildings on which such facilities are located.
- b. ACI is not currently receiving and will not request or accept from the AOCs, or from any of their non-section 272 affiliates, operating, installation and maintenance services in connection with switching and transmission facilities owned by ACI or leased by ACI from a provider other than an AOC.
- c. ACI is not currently providing and will not provide operating, installation and maintenance services to an AOC in connection with the AOC's switching and transmission facilities, except that ACI may perform such services for an AOC for sophisticated equipment purchased from ACI.

14. ACI may negotiate with an AOC on an arms-length basis to obtain transmission and switching facilities from the AOC, to arrange for collocation of facilities, and to provide or to obtain services other than those described above or expressly prohibited in the FCC's First Report and Order in Docket 96-149. ACI will reduce to writing and account for any resultant transactions with an AOC in accordance with the rules adopted by the FCC in Docket 96-150.

**Separate Books, Records, and Accounts — Section 272(b)(2)**

15. ACI maintains books, records, and accounts that are separate from the books, records, and accounts maintained by the AOCs, and will continue to do so.

16. ACI follows Generally Accepted Accounting Principles (GAAP) as adopted by the FCC in Docket 96-150.

**Separate Officers, Directors, and Employees — Section 272(b)(3)**

17. No officer, director, or employee of ACI is currently, or will be, simultaneously an officer, director, or employee of an AOC. ACI currently has approximately 484 employees.

18. ACI and the AOCs maintain separate payrolls and will continue to do so.

19. Neither ACI nor any of the AOCs currently has a board of directors. In the event that any of these companies establishes a board of directors, no director of an AOC will simultaneously be a director of ACI.

**No Recourse of ACI Creditors to AOC Assets — Section 272(b)(4)**

20. ACI has not obtained, and will not obtain, credit under any arrangement that would permit a creditor, upon default, to have recourse to the assets of an AOC. ACI has not requested and will not request, any AOC, Ameritech Corporation or any other non-272 affiliate to co-sign a contract or any other arrangement with ACI which would permit a creditor to obtain recourse to an AOC's assets in the event of a default by ACI.

**Arms Length Transactions And Public Inspection — Section 272 (b)(5)**

21. All transactions between ACI and the AOCs up to the release of the FCC's 12/24/96 Report and Order in Docket 96-150 have been accounted for in accordance with all applicable requirements of Part 64 and 32.27 of the FCC's rules. Henceforth, ACI's accounting for all transactions with the AOCs will continue to comply with those requirements, as modified by the Commission in the Report and Order.

22. For purposes of this Application, a "transaction" occurs once the AOC and ACI have agreed upon the terms and conditions of an agreement for goods, services,

facilities, and information, including agreements for telephone exchange and exchange access service.

23. All such transactions between ACI and the AOC's will be conducted on an arms length basis, reduced to writing and made available for public inspection as described below.

24. ACI will provide a detailed written description of the asset or service transferred, and the terms and conditions of each transaction, on the Internet within 10 days of the transaction. The information will also be available for public inspection during normal business hours at the principal place of business of the AOC.

25. All transactions involving Joint Marketing services provided by the AOC to ACI or vice versa will be provided pursuant to arms-length agreements, reduced to writing, available for public inspection and accounted for in accordance with the FCC's requirements adopted in Docket 96-150.

#### **JOINT MARKETING — SECTION 272 (g)**

##### **Affiliate Sales of Telephone Exchange Services -- Section 272(g)(1)**

26. ACI has not marketed or sold and will not market or sell telephone exchange services provided by an AOC unless that AOC permits other entities offering the same or similar service as ACI to market and sell the AOC's telephone exchange services.

27. ACI will comply with the privacy of customer information requirements of Section 222 of the Act and any related rules or requirements promulgated by the FCC. ACI will not utilize customer proprietary information except as permitted by that section and relevant FCC rules.



**Bell Operating Company Sales of Affiliate Services — Section 272 (g)(2)**

28. ACI will not permit any AOC to market or sell the interLATA services of ACI to customers within the state of Michigan until ACI has received authority to offer interLATA services in that state pursuant to Section 271.

29. Following the grant of Section 271 authority for Michigan, the AOC may market or sell interLATA services of ACI; provided however, that, if the AOC markets or sells interLATA services for ACI, the AOC must inform each customer who orders new local exchange service on an inbound call of the names, and, if requested, the telephone numbers of the carriers offering interexchange services in its service area, for as long as the FCC requires such disclosure. In all such cases, ACI will require that the names of such interexchange carriers be provided in random order by the AOC. A customer orders "new local exchange service" when the customer either receives service from the AOC for the first time, or moves to another location within the AOC's in-region territory.

**COMPLIANCE TRAINING**

30. ACI will provide training to its employees regarding their obligations under Section 272 of the Act, applicable FCC regulations, and this Application for Section 271 authority.

31. Prior to commencing in-region interLATA operations in any state, ACI will distribute to its management employees copies of Sections 272 of the Act and applicable FCC requirements. Employees will also be informed of future applicable modifications to the Act or FCC requirements. In addition, such employees will be provided a user-friendly summary of each of the relevant requirements, along with illustrative, explanatory questions and

answers. This summary will also inform employees of the availability of the "Integrity Line" discussed below.

32. Each employee receiving these materials will be required to sign and return to their supervisor a certificate stating that they have read them and that they understand the provisions applicable to their job duties, and that they understand, further, that violations will be punishable with appropriate disciplinary action, up to and including dismissal.

33. The above materials will be provided to new management employees of ACI and to those who transfer into such positions at the time they assume their new responsibilities.

34. ACI will provide additional training, coordinated by the Ameritech Legal Department, to officers and managers with substantial responsibility for implementing the requirements of the Act, and applicable federal and state regulatory requirements, regarding their obligations under this Application.

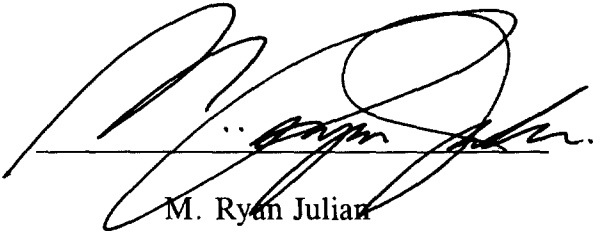
35. To further underscore the importance of compliance with these requirements, a video will be prepared, explaining in detail the relevant requirements of the Act and the FCC. Within 30 days after Ameritech receives Section 271 authority in a state, this video will be shown to all of the above-mentioned employees.

36. Ameritech has established an "Integrity Line" (a toll free "hot line") that permits employees to report anonymously suspected violations of Section 272, relevant FCC requirements, and this Application. Ameritech will encourage employees to use this Integrity Line to report such violations, and will assure employees that there will be no reprisals for reporting such suspected violations.

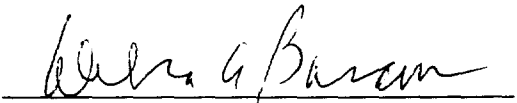
37. Under the direction of the Ameritech Law Department, Ameritech will establish an Auditing Group that will investigate and evaluate suspected violations, including those reported to the Integrity Line. Absent extraordinary circumstances, all alleged violations will be investigated and evaluated within 45 days of when they are reported or discovered. If an investigation results in a finding that corrective action is required, a plan for corrective action will be formulated within 10 days and implemented immediately thereafter.

38. This concludes my affidavit.

I hereby swear, under penalty of perjury, that the foregoing is true and correct, to the best of my knowledge and belief.

  
M. Ryan Julian

Subscribed and sworn before me this 27th of December, 1996.



Notary Public

My Commission expires: \_\_\_\_\_

